

Lee County

ARPA Background and Guidance for United Way Subrecipients



# A Training Manual for United Way Subrecipients of ARPA Funds

August 18, 2022

# Agenda

- Introduction to ARPA SLFRF
- Procurement Basics
- Uniform Guidance 101
- Common Federal Grant Deficiencies and Findings
- Recap / Preparing for Program Audits



8/18/2022

Lee County ARPA Subrecipient Training



2

## Agenda

- Introduction to ARPA SLFRF
- Procurement Basics
- Uniform Guidance 101
- Common Federal Grant Deficiencies and Findings
- Recap / Preparing for Program Audits

# Introduction to ARPA SLFRF

State and Local Fiscal Recovery Funds



# Definitions

## County

Non-Federal  
Entity

Pass-Through  
Entity

## Non-Profits

Subrecipient

## Community

Beneficiary



8/18/2022

Lee County ARPA Subrecipient Training



4

## Definitions

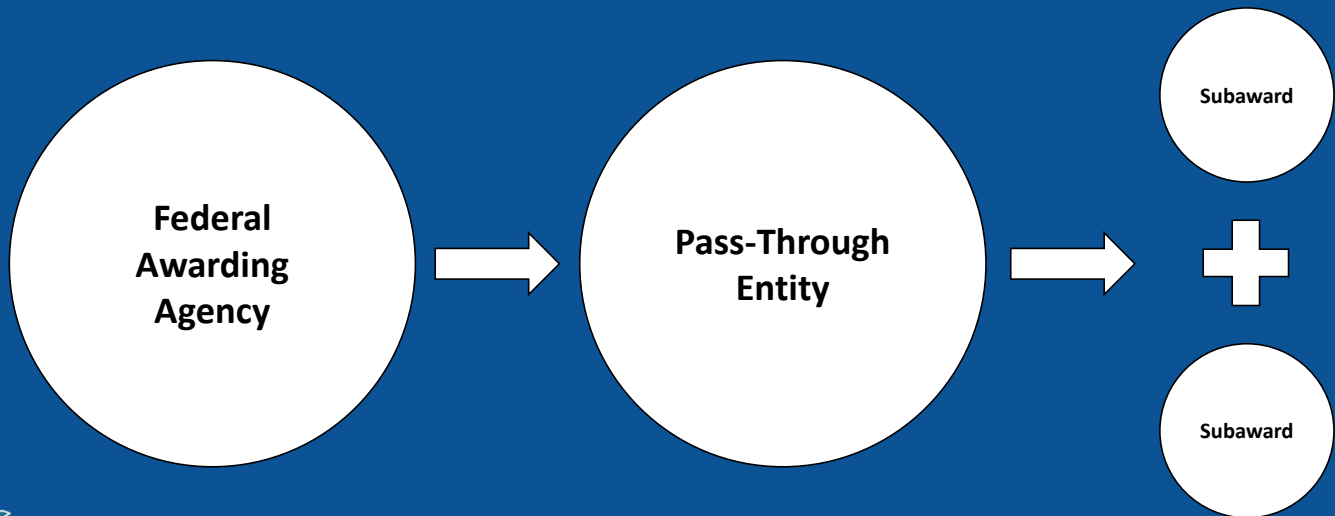
**Non-Federal Entity** – a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

**Pass-through Entity (PTE)** – a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

**Subrecipient** – an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

**Beneficiary** – individuals or entities that are direct beneficiaries of a federal award are not considered subrecipients.

# Definitions



8/18/2022

Lee County ARPA Subrecipient Training



5

## Definitions

**Federal Award** – the Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity.

**Subaward** – an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.

# Purpose of These Funds

- Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”)
  - Provided \$350b of funding to US state, local and tribal governments
  - Primary objectives:
    1. Fight the pandemic and **support families and businesses** struggling with its public health and economic impacts;
    2. **Maintain vital public services**, even amid declines in revenue; and
    3. Build a strong, resilient, and equitable recovery by making **investments that support long-term growth and opportunity**.



8/18/2022

Lee County ARPA Subrecipient Training



6

## Purpose of These Funds

The Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) is part of the American Rescue Plan Act established to deliver \$350 billion of emergency funding to US state, local and tribal governments.

The SLFRF program is administered by the US Department of Treasury with the purpose of supporting the response to and recovery from the COVID-19 public health emergency, including:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts;
- Maintain vital public services, even amid declines in revenue; and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

In January 2022, the [Final Rule](#) was published, which describes eligible and ineligible uses of SLRF funds

# SLFRF Eligible Uses



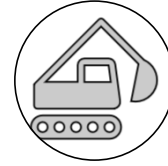
Public Sector  
Revenues



Public Health &  
Economic  
Response



Premium Pay  
for Essential  
Workers



Water, Sewer &  
Broadband  
Infrastructure



Lee County  
Southwest Florida

8/18/2022

Lee County ARPA Subrecipient Training



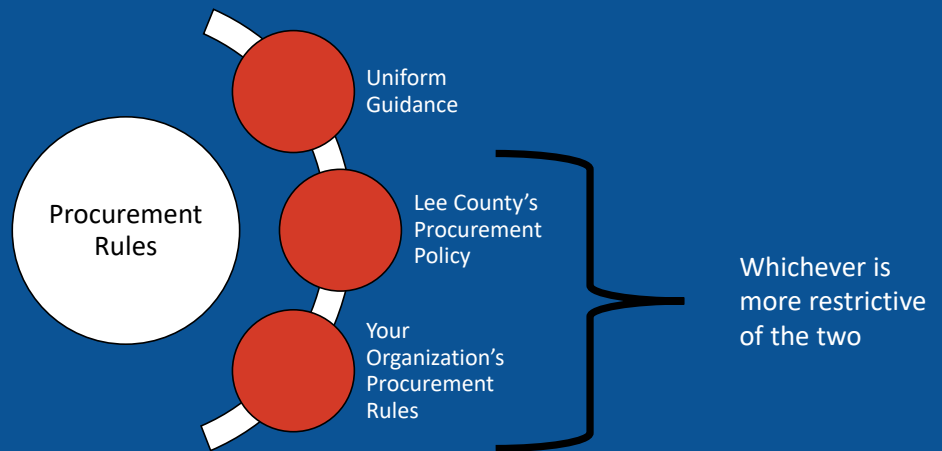
7

## SLFRF Eligible Uses

The American Rescue Plan provides four major categories of eligible uses to tackle the broad range of public health and economic challenges caused or exacerbated by the COVID-19 emergency.

1. **Public Sector Revenues** – providing government services up to the amount of revenue loss due to the pandemic.
2. **Public Health & Economic Response** – responding to COVID-19's public health impact, along with its economic harms.
3. **Premium Pay for Essential Workers** – offering additional support to workers who bear the greatest health risks because of their service in critical sectors.
4. **Water, Sewer & Broadband Infrastructure** – providing funding for critical water and sewer projects, along with high-speed broadband infrastructure.

# Rules to Follow



8/18/2022

Lee County ARPA Subrecipient Training



8

## Rules to Follow

Each organization receiving funds must follow the Uniform Guidance as well as either:

- a) Lee County procurement policy or
- b) Entity procurement rules...

...subject to whichever is more restrictive of the two.



# How to Follow the Rules



Use the  
Checklists



Keep a  
Diary



Reach out if  
Uncertain



8/18/2022

Lee County ARPA Subrecipient Training



9

## How to Follow the Rules

### *Use the Checklists*

Lee County has drafted several checklists to support the success of subrecipients.

### Navigation to get to materials

- <https://www.leegov.com/arpa>
- Then select Subrecipient References from the left side navigation.
- Then reference page has sample forms for procurement documentation.

### *Keep a Diary*

The “diary” is a log of everything you have done under the grant. It accounts for program successes and adaptations, and includes all procurement documentation, correspondence related to program administration and reporting.

### *Reach out if Uncertain*

If you are uncertain, contact your United Way ARPA Project Contact. Reference the end of this training manual for names and contact information.

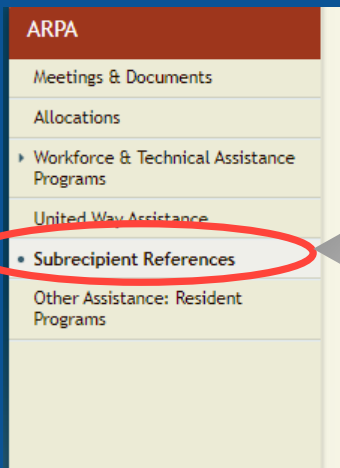
# Procurement Basics

Lee County



# Reference Materials for Subrecipients

<https://www.leegov.com/arpa>



8/18/2022

Lee County ARPA Subrecipient Training



11

## Reference Materials for Subrecipients

### Navigation to get to materials

- <https://www.leegov.com/arpa>
- Then select Subrecipient References from the left side navigation.
- Then reference page has sample forms for procurement documentation.

# Procurement References – the “Checklist”

Based on the threshold the “checklist” lists the documents that can be utilized for pricing decision documentation.

- Fair and Reasonable Price Determination
- Procurement History
- Independent Cost Estimate (ICE) Analysis
- Price Analysis
- Formal BID Standard

Examples: [References \(leegov.com\)](https://www.leegov.com/ARPA/Pages/references.aspx)



8/18/2022

Lee County ARPA Subrecipient Training



12

## Procurement References – the “Checklist”

### *Documentation for procurement decisions*

Based on the threshold the “checklist” lists the documents that can be utilized for pricing decision documentation.

- Fair and Reasonable Price Determination
- Procurement History
- Independent Cost Estimate (ICE) Analysis
- Price Analysis
- Formal BID Standard

There is a table of sample forms that can be used for ARPA procurements.

<https://www.leegov.com/ARPA/Pages/references.aspx>



The County has drafted several checklists to help you in the course of completing your grant activities.

# Procurement Ordinance: Thresholds

Lee County's American Rescue Plan Act subrecipients must use a combination of Federal and Lee County's thresholds, and possibly the entities thresholds (whichever are most restrictive).  
Use the **"checklist"** to ensure you have all required back-up documentation.

## 1. MICRO-PURCHASE

Amount < \$10,000

Multiple sources for price are reviewed; Fair and Reasonable

Outreach to obtain quotes from Minority and Women Business Enterprises (MBE, WBE)

## 2. SMALL PURCHASES

Amount over \$10,000 and < \$100,000

Complete & Adequate Specification or Description

Three or more quotes available

Outreach to obtain quotes from Minority and Women Business Enterprises (MBE, WBE)

## 3. COMPETITIVE PURCHASES - INVITATION TO BID

Amounts over \$100,000

Complete & Adequate Specification or Description

Selection can be made on the basis of price alone

Firm fixed price contract is used

No discussion with bidders required after the receipt of bid

Outreach to obtain quotes from Minority and Women Business Enterprises (MBE, WBE)



8/18/2022

Lee County ARPA Subrecipient Training



13

## Procurement Ordinance: Thresholds

The Procurement method and approval authority varies based upon the amount of the Purchase. Unless otherwise authorized in this Ordinance, the following Procurement thresholds and procedures are hereby established to govern the Procurement of Commodities and Services.

When determining what is fair and reasonable, reference the checklist "Fair and Reasonable Price Determination"

### MBE, WBE Compliance

- To satisfy the MBE, WBE requirement, reach out to these entities to offer them the chance to participate in your procurement and include in your "Diary" (grant files) the correspondence as evidence of reaching out.
- For Micro and Small purchases, you are not required to advertise the procurement but should still reach out to MBE and WBE entities.
- When reaching out to MBE, WBE, reference the next slide.



The County has drafted several checklists to help you in the course of completing your grant activities.

# Minority and Women-Owned Business Outreach

**Florida certified minority, woman, and veteran business enterprises**

**Disadvantage Business Enterprise**



8/18/2022

Lee County ARPA Subrecipient Training



14

## Minority and Women-Owned Business Outreach

Federal grants require outreach to minority and women owned businesses for all levels of procurement.

In addition to pricing documentation: Minority and Women Owned Business Outreach

1. **Florida certified minority, woman, and veteran business enterprises**

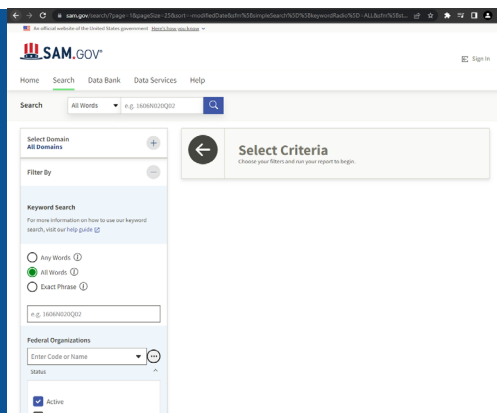
<https://osd.dms.myflorida.com/directories>

2. **Disadvantage Business Enterprise**

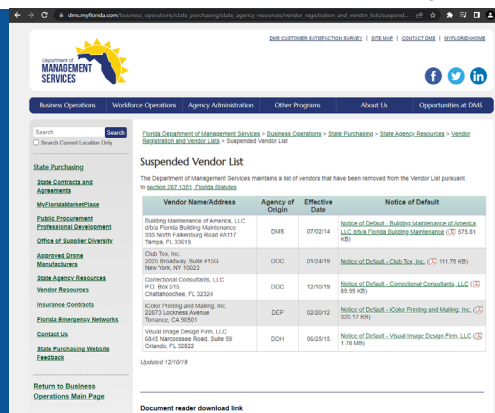
<https://fdotxwp02.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/CustomSearch.aspx>

# Suspension and Debarment Check

## Federal check for vendor exclusions



## State of Florida – check for suspensions



8/18/2022

Lee County ARPA Subrecipient Training



15

## Suspension and Debarment Check

When working with a vendor check to ensure they are not on the State of Florida or the federal exclusion sites.

In addition to pricing documentation: Suspension and Debarment Check

1. Federal check for vendor exclusions, [www.sam.gov](http://www.sam.gov)

2. State of Florida – check for suspensions

[https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/state\\_agency\\_resources/vendor\\_registration\\_and\\_vendor\\_lists/suspended\\_vendor\\_list](https://www.dms.myflorida.com/business_operations/state_purchasing/state_agency_resources/vendor_registration_and_vendor_lists/suspended_vendor_list)

# Uniform Guidance Provisions: Procurement Standards

## Mandatory Standards

Maintain Oversight	Maintain Records
Written Standards of Conduct	Settlement of Issues
Need Determination	Time and Materials Conduct
Contractor Responsibility Determination	

## Encouraged Standards

Use of Intergovernmental or Inter-Entity Agreements	Value Engineering
Use of Federal Excess/Surplus Property	



8/18/2022

Lee County ARPA Subrecipient Training



16

## Uniform Guidance Provisions: Procurement Standards

### *Mandatory Standards*

- Maintain oversight
- Written Standards of Conduct
- Need Determination
- Contractor Responsibility Determination
- Maintain Records
- Settlement of Issues
- Time and Materials Conduct

### *Encouraged Standards*

- Use of Intergovernmental or Inter-Entity Agreements
- Use of Federal Excess/Surplus Property
- Value Engineering



# Procurement methods: Competitive Bids (if procurement is >\$100,000)

## Invitation to Bid

- Preferred method
- Awarded to lowest responsive bid
- Minimum qualifications can be added so you get a qualified vendor

## Request for Proposals

- **Not preferred**
- If you must use an RFP, discuss with your UW representative **FIRST** and an explanation of this procurement method must be provided



8/18/2022

Lee County ARPA Subrecipient Training



17

## Procurement Methods: Competitive Bids (if procurement is greater than \$100,000)

Includes specifications, required qualifications, and all principal terms and conditions applicable to the Procurement.

Invitation to Bid	Request for Proposal
Awarded to the Responsible Vendor with the lowest Responsive Bid (essentially lowest price wins the award).	Awarded to the highest ranked Proposer or as outlined in the Solicitation documents.
<ul style="list-style-type: none"> <li>• Ability, capacity and skill of the Vendor to perform the Contract</li> <li>• Vendor can perform the Contract within the time specified, without delay, interference, or conflict</li> <li>• Character, integrity, reputation, judgment, experience and efficiency of the Vendor</li> <li>• Quality of performance of previous engagements</li> <li>• Previous and existing compliance by the Vendor with laws and regulations relating to the Contract</li> <li>• Sufficiency of the financial resources and ability of the Vendor to perform the Contract or provide the Commodity or Service.</li> <li>• Quality, availability and adaptability of the Commodities or Services to the particular use required.</li> <li>• Ability of the Vendor to provide further maintenance and Service for the use of the subject of the Contract.</li> <li>• Number and scope of conditions attached to the Bid.</li> <li>• Qualifications of Vendor, licensing and corporate qualifications.</li> <li>• Evidence of negative litigation history.</li> <li>• Use of one or more subcontractors with a record of poor performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Description of desired outcome to be accomplished through the Procurement</li> <li>• Evaluation criteria for the specific Procurement</li> <li>• Principal terms and conditions applicable to the Procurement</li> </ul>

# Procurements: Essentials

- You must either have your own procurement policy OR adopt the County's
- A vendor who will bid on the expenditure **cannot** help draft the specs
- If you are required to advertise the procurement, you must:
  - Advertise on your website
  - Advertise in the local paper
  - Reach out to MBE and WBE
- You must reach out to MBE and WBE for each expenditure (micro, small and competitive)
- You must maintain all files/correspondence related to your purchases



8/18/2022

Lee County ARPA Subrecipient Training



18

## Procurements: Essentials

- You must either have your own procurement policy OR adopt the County's
- A vendor who will bid on the expenditure **cannot** help draft the specs
- If you are required to advertise the procurement, you must:
  - Advertise on your website
  - Advertise in the local paper
  - Reach out to MBE and WBE
- You must reach out to MBE and WBE for each expenditure (micro, small and competitive)
- You must maintain all files/correspondence related to your purchases

# Procurement: Responses

- Must be submitted to the organization no later than the date and time designated in the Solicitation
- Your procurement policy may state that after opening, your representatives request additional information or clarification by the Offeror.



8/18/2022

Lee County ARPA Subrecipient Training



19

## Procurement: Responses

- Must be submitted to the organization no later than the date and time designated in the Solicitation
- Your procurement policy may state that after opening, your representatives request additional information or clarification by the Offeror.
- Responses received after the designated time will be returned unopened to the sender.

# Procurement: Protests

Must be  
included  
in your  
policy

Protest

"Substantial  
Interest"

Time-limited



8/18/2022

Lee County ARPA Subrecipient Training



20

## Procurement: Protests

A protest process **must** be included in your policy.

The County's policy states:

Only protestors with a "substantial interest" that has been adversely affected by the County's intended Award may protest the selection by complying with the requirements set forth herein. A protestor has a "substantial interest" if the protestor would have been Awarded the Contract but for the alleged mistake or irregularity described in the protest. If the Procurement Management Director determines that a protestor does not have a "substantial interest," that protestor is precluded from bringing a protest pursuant to this section.

Any Notice of Intended Decision may be protested by a Vendor on the grounds of Material Deviations in the Procurement procedure or Material Deviations in the evaluation of the Responses

To initiate a protest

- The protestor must file a Notice of Intent to Protest in writing with the Procurement Management Director within seventy-two (72) hours of Posting of the Notice of Intended Decision
  - A formal written Procurement Protest must then be filed with the Procurement Management Director within ten (10) business days of Posting of the Notice of Intended Decision.
- Failure to file a timely Notice of Intent to Protest or formal written Procurement Protest shall constitute a waiver of the protestor's right to protest.

After receipt of the timely filed and complete written Procurement Protest, the Procurement Management Director, may meet with the protester to discuss the allegations and to attempt to resolve the matter and then issue decision on the protest within fourteen ( 14) business days of the meeting.

# Employment Eligibility Verification System (E-Verify) (if applicable)

- This only applies to construction and services contracts.
  - This does not apply to procurement of commodities.
- For the vendor and any subcontractors to confirm employment eligibility
- <https://www.e-verify.gov/book/export/html/3802>



8/18/2022

Lee County ARPA Subrecipient Training



21

## Employment Eligibility Verification System (E-Verify) (if applicable)

This only applies to construction and services contracts; it does not apply to procurement of commodities.

This is for the vendor and any subcontractors to confirm eligibility. For trainings and guidelines on how to use E-Verify, refer to <https://www.e-verify.gov/book/export/html/3802>.

Statutes and Executive Orders require employers to abide by the Immigration laws of the United States and to employ only individuals who are eligible to work in the United States. The Employment Eligibility Verification System (E-Verify) operated by the U.S. Department of Homeland Security (DHS) in partnership with the Social Security Administration (SSA) to provides an internet-based means of verifying employment eligibility of workers in the united States; it is not a substitute for any other employment eligibility verification requirements.

Sub-CONSULTANT/CONTRACTOR/VENDOR requirement: Vendors shall require all subcontracted vendors to flow down the requirement to use E-Verify to sub-CONSULTANT/CONTRACTOR/VENDORS.

It shall be the vendor's responsibility to familiarize themselves with all rules and regulations governing this program.

For additional information regarding the Employment Eligibility Verification System (E-Verify) program visit the following website: <http://www.dhs.gov/EVerify>.

# Uniform Guidance 101

Lee County



# Uniform Guidance Provisions: Introduction

## Subpart A

- Acronyms and Definitions (§200.000 – 100).

## Subpart B

- General Provisions (§200.100 – 113).

## Subpart C

- Pre-Federal Award Requirements & Contents of Federal Awards (§200.200 – 216).

## Subpart D

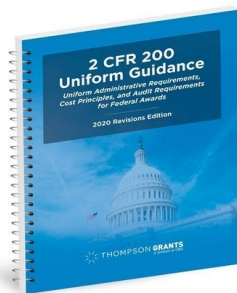
- Post-Federal Award Requirements (§200.300 – 346).
  - Purchase of equipment – we'll discuss more in detail later.

## Subpart E

- Cost Principles (§200.400 – 476).

## Subpart F

- Audit Requirements (§200.501 – 521).



8/18/2022

Lee County ARPA Subrecipient Training



23

# Uniform Guidance 101: Introduction

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
  - Commonly called the “Uniform Guidance”
  - Found in 2 CFR 200
- Expenditures under this grant must comply with 2 CFR 200 and the Final Rule

## 4 Federal Cost Principles

- Allocable
- Allowable
- Reasonable
- Necessary



8/18/2022

Lee County ARPA Subrecipient Training



24

## Uniform Guidance 101: Introduction

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance") was officially implemented in December 2014 and is an authoritative set of rules and requirements for Federal awards.

In addition to the Final Rule, expenditures of SLFRF must comply with the Uniform Guidance requirements set forth in 2 CFR 200, which establishes administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities.

The four federal cost principles essentially state that an expenditure should be:

1. Allocable
2. Allowable
3. Reasonable and
4. Necessary



# Uniform Guidance 101: Requirements

- 2 CFR 200 (see appendix for links to additional guidance)
  - 200.328-329 Performance and Financial Monitoring and Reporting
  - 200.331-333 Subrecipient Monitoring and Management
  - 200.402-411 Cost Principles Basic Considerations
  - 200.501 Audit Requirements
- SLFRF Guidance
  - Final Rule – January 2022



8/18/2022

Lee County ARPA Subrecipient Training



25

# Uniform Guidance: General Subrecipient Responsibilities



## Access to Records



## Monitoring and Oversight



## Corrective Actions



8/18/2022

Lee County ARPA Subrecipient Training



26

### Uniform Guidance: General Subrecipient Responsibilities

- Provide **access to records** and financial statements to determine compliance with federal requirements.
- **Facilitate the pass-through entity's planned monitoring and oversight** activities.
- Provide information to the pass-through entity on previous audits as requested.
- Provide results from direct federal agency monitoring activities on direct federal awards received.
- Identify for the pass-through entity whether a single audit is required and justify the response.
- **Take appropriate and timely corrective action** to resolve audit findings and comply with any management decision issued by the pass-through entity.

# Uniform Guidance: General Subrecipient Responsibilities



## Maintain Records



## Support Timelines



## Appropriate Expenditures



8/18/2022

Lee County ARPA Subrecipient Training



27

### Uniform Guidance: General Subrecipient Responsibilities

- **Maintain records** for 5 years after the County closes the project OR 5 years after audit of the program – whichever is later
- Follow up on audit findings and keep copies of audit reports and related documentation on file for at least five years following the audit period for review by the pass-through entity.
- Follow all imposed specific subaward conditions upon a subrecipient if appropriate as described in §200.208.
- Be open to monitoring and providing timely information to the pass-through entity.
- **Follow the agreed upon timeline** for obligations and expenditures.
- **Support appropriate expenditure** of grant funds
  - Follow the federal award requirements as you are a steward of the funds.

# Uniform Guidance: Monitoring and Reporting

Sub Part D – (§200.328 - 329)



Financial  
reporting



Monitoring  
of Awards



Performance  
Reports



8/18/2022

Lee County ARPA Subrecipient Training



28

## Uniform Guidance: Monitoring and Reporting

### Financial Reporting – 2 CFR 200.328

Financial information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances...

### Monitoring and Reporting Program Performance – 2 CFR 200.329

The non-Federal entity is responsible for oversight of the operations of the Federal award-supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.

The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances...

# Uniform Guidance: Subrecipient Determinations

Sub Part D – (§200.331)

- Distributes subawards vs using Federal funds directly (Recipient)
  - Note: Entities can be both recipients and pass-throughs.
  - Example: Lee County for SLFRF awards.
- Case-by-case basis determinations of entities providing services or programming funds
  - Payments to beneficiaries;
  - Subawards to subrecipients; and
  - Contracts to contractors (vendors).

## Organizations Receiving Funds from Pass-Through Entities

Subrecipient	Contractor	Beneficiaries
<ul style="list-style-type: none"> <li>• Receive subaward from a pass-through entity or Recipient to carry out a program on their behalf.</li> <li>• Funds are distributed to and used for a specific purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• An entity that receives a contract as defined in (§ 200.22).</li> <li>• Think Goods &amp; Services.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals or entities that receive direct payments of assistance.               <ul style="list-style-type: none"> <li>• Example: Someone receiving rental assistance funds</li> </ul> </li> </ul>



Lee County  
Southwest Florida

8/18/2022

Lee County ARPA Subrecipient Training

United  
Way



29

## Uniform Guidance: Subrecipient Determinations

### Characteristics

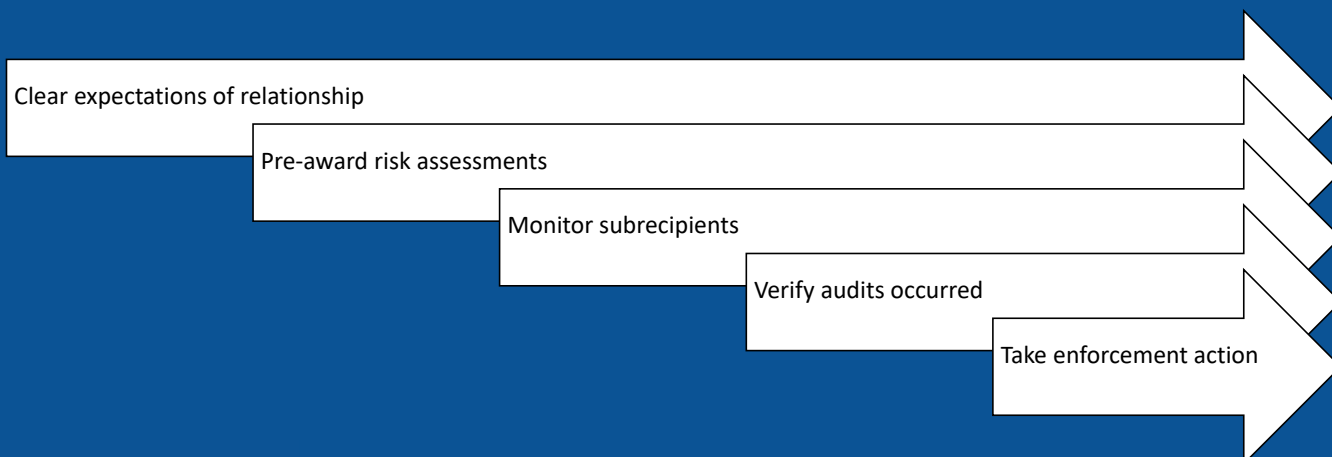
- Distributes subawards vs using Federal funds directly (Recipient)
  - Note: Entities can be both recipients and pass-throughs.
  - Example: Lee County for SLFRF awards.
- Case-by-case basis determinations of entities providing services or programming funds
  - Payments to beneficiaries;
  - Subawards to subrecipients; and
  - Contracts to contractors (vendors).

## Organizations Receiving Funds from Pass-Through Entities

Subrecipient	Contractor	Beneficiaries
<ul style="list-style-type: none"> <li>• Receive subaward from a pass-through entity or Recipient to carry out a program on their behalf.</li> <li>• Funds are distributed to and used for a specific purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• An entity that receives a contract as defined in (§ 200.22).</li> <li>• Think Goods &amp; Services.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals or entities that receive direct payments of assistance.</li> <li>• Example: Someone receiving rental assistance funds</li> </ul>

# Uniform Guidance: Subrecipient Management

## Sub Part D – (§200.332)



8/18/2022

Lee County ARPA Subrecipient Training



30

## Uniform Guidance: Subrecipient Management

Each subaward should be clearly identified to the subrecipient as a subaward and include the following required information:

- All requirements imposed by the pass-through entity on the subrecipient;
- Any additional requirements that the pass-through entity imposes on the subrecipient; and
- A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements .
- Evaluate each subrecipient's risk of noncompliance (risk assessment).
- Monitor the activities of the subrecipient as necessary.
- Verify that every subrecipient is audited as required.
- Consider taking enforcement action against noncompliant subrecipients.

# Uniform Guidance: Equipment

## Sub Part D – (§200.313)

- Title vests to non-Federal entity.
- Use, management, and disposition following federal and local regulations.
- Requires supporting documentation

### Uses

- Must support program/project acquired to support;
- Cannot be encumbered without prior approval; and
- Can be used for other purposes (§200.313(c)(2)).

### Management

- Physical inventory of property;
- Loss, damage, or theft safeguards;
- Must be investigated;
- Adequate maintenance records; and
- Sales procedures should net “highest possible return.”

### Disposition

- Fair market value of ≤ \$5,000 may be retained;
- ≥ \$ 5,000 has specific disposition instructions; and
- (§200.313(b)(c)(e)).



8/18/2022

Lee County ARPA Subrecipient Training



31

## Uniform Guidance: Equipment

Title vests to non-Federal entity.

Follow federal and local regulations for:

- Use
- Management
- Disposition

Requires supporting documentation

- Description
- Serial or identification number
- Source of funding (including FAIN)
- Title holder
- Acquisition date
- Cost of property
- Costs under Federal award purchased
- Location, use, and condition of property
- Disposition data with date and sale price
- Percentage of federal participation

### Uses

- Must support program/project acquired to support;
- Cannot be encumbered without prior approval; and
- Can be used for other purposes (§200.313(c)(2)).

### Management

- Physical inventory of property;
- Loss, damage, or theft safeguards;
- Must be investigated;
- Adequate maintenance records; and
- Sales procedures should net “highest possible return.”

### Disposition

- Fair market value of ≤ \$5,000 may be retained;
- ≥ \$ 5,000 has specific disposition instructions; and
- (§200.313(b)(c)(e)).

# Uniform Guidance: Record Retention and Access

Sub Part D – (§200.334 - 338)

- Record Retention
  - Records must be maintained for a minimum of 5 years after project closed by Lee County
  - Financial records
  - Supporting documents
  - Statistical records
  - All other records pertinent to the administration of the award
- Right to access records



8/18/2022

Lee County ARPA Subrecipient Training



32

## Uniform Guidance: Record Retention and Access

### *Record Retention*

Documents must be retained for a period of five (5) years from the date of submission of the final expenditure report (when the project is closed by Lee County). Types of documents to retain:

- Financial records;
- Supporting documents;
- Statistical records; and
- All other non-Federal entity records pertinent to a Federal award.

### *Access to Records*

The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award.



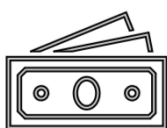
# Uniform Guidance: Cost Principles

Sub Part E – (§200.403 - 404)



## Factors affecting allowability

- Be necessary and reasonable



## Reasonable costs

- Does it make sense for the time and purpose? Would others have made the same choice?



8/18/2022

Lee County ARPA Subrecipient Training



33

## Uniform Guidance: Cost Principles

### 200.403 – Factors Affecting Allowability

- Be necessary and reasonable;
- Conform to limitations or exclusions;
- Be consistent with policies and procedures;
- Not be reimbursed by any other federally financed program;
- Be adequately documented; and
- Incurred during the approved budget period.

### 200.404 – Reasonable Costs

- Cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

### Additional Principles

- Efficient and effective award administration.
- Consistent with underlying agreements program objectives, and the terms & conditions
- May not earn or keep any profits.
  - Exception: Explicit authorizations in the terms & conditions.

# Uniform Guidance: Audit requirements

Sub Part F – (§200.501)

Single Audit is required if spending  
>\$750,000 in federal funds

Within the same  
fiscal year

Aggregate of  
federal awards  
spent

Required for  
subrecipients,  
too!



8/18/2022

Lee County ARPA Subrecipient Training



34

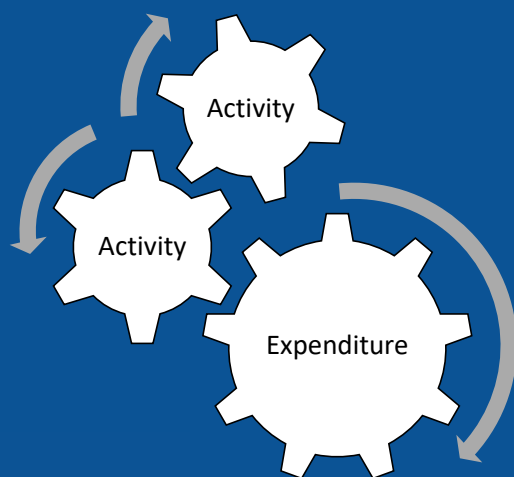
## Uniform Guidance: Audit Requirements

Non-Federal entities expending over \$750,000 are subject to Single Audit.

- This is related to expenditures in fiscal year awards were spent and aggregate of federal awards spent
- This is applicable and required for subrecipients.

# Uniform Guidance: Determining Expenditures

Sub Part F – (§200.502)



- An “expenditure” is determined by when **activity** related to the award occurs.



8/18/2022

Lee County ARPA Subrecipient Training



35

## Uniform Guidance: Determining Expenditures

### *Basis for Determining Award Expenditures*

- **Expenditure** is based on when activity related to the award occurs.
- A **grant activity** occurs when a non-Federal entity must abide by Federal statutes, regulations, and terms and conditions, such as:
  - Disbursement of funds to a subrecipient;
  - Receipt of surplus property;
  - Distribution or use of food commodities;
  - The period when insurance is in force;
  - Expenditure/expense transactions (including grants);
  - Cost-reimbursement contracts;
  - Cooperative agreements; and
  - Direct appropriations.

# Uniform Guidance: Links to Guidance

SLFRF Guidance (links included in thumbnail images)

- The CSLFRF website contains the relevant authoritative materials published by the Department of Treasury
- A link to the Code of Federal Regulations, specific to 2 CFR 200 is provided below (*hold the button ctrl and click on the image*)



8/18/2022

Lee County ARPA Subrecipient Training



36

## Uniform Guidance Provisions: Determining Expenditures

### SLFRF Guidance

The CSLFRF website contains the relevant authoritative materials published by the Department of Treasury  
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

### 2 CFR 200 ("Uniform Guidance")

A link to the Code of Federal Regulations, specific to 2 CFR 200 is provided below  
<https://www.ecfr.gov/current/title-2>

# Recap / Preparing for Program Audits

Lee County



# Recap / Preparing for Program Audits

Track  
federal  
awards

Accurate  
reporting

Strong  
internal  
controls

Report  
fraud,  
waste  
and  
abuse



8/18/2022

Lee County ARPA Subrecipient Training



38

## Recap / Preparing for Program Audits

To prepare for program audits, leading practices include:

- Track all federal awards and their programs.
- SLFRF funds should be kept separate from other funding sources for tracking purposes.
- Accurate, current, and complete disclosure of award financial results.
- Records identify source & application of funds.
- Strong internal controls (e.g., segregation of duties).
- Report instances of fraud, waste, and abuse (FWA).
  - Lee County Clerk of the Court Inspector General anonymous hotline is 239-337-7799
  - <https://www.leeclerk.org/departments/inspector-general/internal-audit-investigation/inspector-general-hotline>
- Encourage subrecipients, contractors, and participants to report suspected cases of FWA.



If you suspect **Fraud, Waste or Abuse**, please contact the **anonymous** Lee County Clerk of the Court Inspector General hotline: **239-337-7799**

# Recap / Preparing for Program Audits

## Understand

- Audit requirements
- Timelines

## Cost Eligibility

- Cost principles
- Program Terms & Conditions

## Cost Principles

- Allocable
- Allowable
- Reasonable
- Necessary



8/18/2022

Lee County ARPA Subrecipient Training



39

## Recap / Preparing for Program Audits

### *Understanding the Program Requirements*

- Understand the audit requirements
- Understand your project timelines (period of performance)

### *Assess Cost Eligibility*

- Eligible vs. Ineligible Costs.
  - Follow Cost Principles (§200.400 – 476);
  - Program Terms and Conditions; and
  - All parties know what is eligible & ineligible.

### *Support the Cost Principles*

- Allowable Costs and Cost Principles.
  - Be necessary and reasonable;
  - Conform to limitations or exclusions;
  - Be consistent with policies and procedures; and
  - Reviewing for duplication of services or costs.

# Recap / Preparing for Program Audits

## Create an Audit-Focused Uniform Guidance Implementation Strategy

Proactively collect detailed documentation	Demonstrate effective results-driven project implementation	Document and monitor	Monitoring of contractors	Status of funds expended	Financial expenditures	Establish effective internal controls
--	---	----------------------	---------------------------	--------------------------	------------------------	---------------------------------------



Lee County  
Southwest Florida

8/18/2022

Lee County ARPA Subrecipient Training



40

## Recap / Preparing for Program Audits

Create an Audit-Focused Uniform Guidance Implementation Strategy by:

1. Proactively collect detailed documentation;
2. Demonstrate effective results-driven project implementation;
3. Document and monitor;
4. Monitoring of subcontractors;
5. Status of funds expended;
6. Financial expenditures; and
7. Establish effective internal controls.



# Recap / Preparing for Program Audits

## Common Federal Grant Deficiencies and Findings

Procurement Standards

Documentation

Internal procedural  
non-compliance

Inconsistencies

Missing or  
unexplainable costs



8/18/2022

Lee County ARPA Subrecipient Training



41

## Recap / Preparing for Program Audits

### *Pass-through Single Audit Requirements*

- Non-Federal entities over \$750,000 require single audit
- Expenditures in fiscal year awards were spent
  - Aggregate of federal awards spent
- Compliance does not pass through to contractors
  - Exception: When contractors are involved with program review or compliance of the award.

### *Procurement Standards*

- Internal policies and procedures noncompliance
- Subrecipient written policies and procedures 2 CFR 200 non-compliant
- Inconsistent implementation Restrictive bid requirements.

### *Lack of Documentation*

- Expenditures
  - Contracts, change orders, invoices, proof of payment
- Supporting bid documentation
- Gaps in property records and inventory
  - Maintenance records for equipment

# United Way ARPA Project Contact

Terri Erling, *Sr. ARPA Program Manager*  
United Way of Lee, Hendry, and Glades  
d 239-433-7582

[terri@unitedwaylee.org](mailto:terri@unitedwaylee.org)

## Lee County ARPA Project Contacts

Project leads within Departments

Economic Development – Tatum Walker, [twalker@leegov.com](mailto:twalker@leegov.com)

Human and Veteran Services – Lisa Moisan, [lmoisan@leegov.com](mailto:lmoisan@leegov.com) or Parker Smith, [psmith3@leegov.com](mailto:psmith3@leegov.com)

General Questions to Performance Management (Jen Posey, Benjamin Small, Kevin Loucks, Joan LaGuardia)

[performance@leegov.com](mailto:performance@leegov.com)



8/18/2022

Lee County ARPA Subrecipient Training



42

### Contacts

Based on your project your contact may with directly with United Way or with a Lee County Project Lead. We are all here to help, please reach out with questions.

#### *United Way ARPA Project Contact*

Terri Erling, *Sr. ARPA Program Manager*  
United Way of Lee, Hendry, and Glades  
d 239-433-7582

[terri@unitedwaylee.org](mailto:terri@unitedwaylee.org)

#### *Lee County ARPA Project Contacts*

Project leads within Departments

Economic Development – Tatum Walker, [twalker@leegov.com](mailto:twalker@leegov.com)

Human and Veteran Services – Lisa Moisan, [lmoisan@leegov.com](mailto:lmoisan@leegov.com) or Parker Smith, [psmith3@leegov.com](mailto:psmith3@leegov.com)

General Questions to Performance Management (Jen Posey, Benjamin Small, Kevin Loucks, Joan LaGuardia),

[performance@leegov.com](mailto:performance@leegov.com)

# Appendices



# Appendix A: Support Materials

2 C.F.R 200 Relevant Provisions	
§200.318-327 Procurement Standards	§200.328-329 Performance and Financial Monitoring and Reporting
<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.318 General Procurement Standards</u></li> <li>• <u>2 C.F.R. 200.319 Competition</u></li> <li>• <u>2 C.F.R. 200.320 Methods of Procurement to be Followed</u></li> <li>• <u>2 C.F.R. 200.321 Socioeconomic Contracting</u></li> <li>• <u>2 C.F.R. 200.322 Domestic Preferences</u></li> <li>• <u>2 C.F.R. 200.323 Recovered Materials</u></li> <li>• <u>2 C.F.R. 200.324 Contract Cost and Price</u></li> <li>• <u>2 C.F.R. 200.325 Review of Procurement</u></li> <li>• <u>2 C.F.R. 200.326 Bonding Requirements</u></li> <li>• <u>2 C.F.R. 200.327 Contract Provisions</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.328 Financial Reporting</u></li> <li>• <u>2 C.F.R. 200.329 Monitoring and Reporting Program Performance</u></li> </ul>
	§200.331-333 Subrecipient Monitoring and Management
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.331 Subrecipient and Contractor Determinations</u></li> <li>• <u>2 C.F.R. 200.332 Requirements for pass-through entities</u></li> </ul>
	§200.402-411 Cost Principles Basic Considerations
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.403 Factors affecting allowability of costs</u></li> <li>• <u>2 C.F.R. 200.404 Reasonable costs</u></li> </ul>
	§200.501 – Audit Requirements
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.501</u></li> </ul>



8/18/2022

Lee County ARPA Subrecipient Training



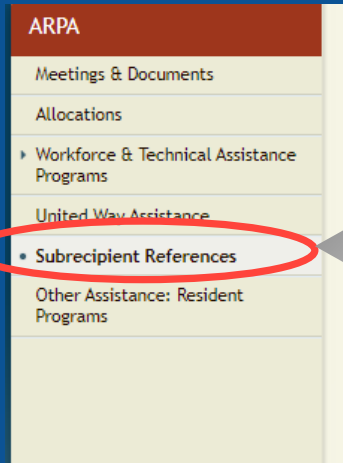
44

## Appendix A: Support Materials

2 C.F.R 200 Relevant Provisions	
§200.318-327 Procurement Standards	§200.328-329 Performance and Financial Monitoring and Reporting
<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.318 General Procurement Standards</u></li> <li>• <u>2 C.F.R. 200.319 Competition</u></li> <li>• <u>2 C.F.R. 200.320 Methods of Procurement to be Followed</u></li> <li>• <u>2 C.F.R. 200.321 Socioeconomic Contracting</u></li> <li>• <u>2 C.F.R. 200.322 Domestic Preferences</u></li> <li>• <u>2 C.F.R. 200.323 Recovered Materials</u></li> <li>• <u>2 C.F.R. 200.324 Contract Cost and Price</u></li> <li>• <u>2 C.F.R. 200.325 Review of Procurement</u></li> <li>• <u>2 C.F.R. 200.326 Bonding Requirements</u></li> <li>• <u>2 C.F.R. 200.327 Contract Provisions</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.328 Financial Reporting</u></li> <li>• <u>2 C.F.R. 200.329 Monitoring and Reporting Program Performance</u></li> </ul>
	§200.331-333 Subrecipient Monitoring and Management
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.331 Subrecipient and Contractor Determinations</u></li> <li>• <u>2 C.F.R. 200.332 Requirements for pass-through entities</u></li> </ul>
	§200.402-411 Cost Principles Basic Considerations
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.403 Factors affecting allowability of costs</u></li> <li>• <u>2 C.F.R. 200.404 Reasonable costs</u></li> </ul>
	§200.501 – Audit Requirements
	<ul style="list-style-type: none"> <li>• <u>2 C.F.R. 200.501</u></li> </ul>

# Appendix B: Reference Materials for Subrecipients

<https://www.leegov.com/arpa>



8/18/2022

Lee County ARPA Subrecipient Training



45

## Appendix B: Reference Materials for Subrecipients

### Navigation to get to materials

- <https://www.leegov.com/arpa>
- Then select Subrecipient References from the left side navigation.
- Then reference page has sample forms for procurement documentation.



The County has drafted several checklists to help you in the course of completing your grant activities.

## Appendix C: ARPA Federally-Funded Documentation File Checklist

This file is available on the website and can be used to support your project compliance.

### ARPA FEDERALLY FUNDED DOCUMENTATION FILE CHECKLIST

Standard Inclusions	Micro <\$10,000	Small Purchase \$10,000- \$99,999	IFB >\$100,000	RFP >\$100,000	Sole Source	Included	Location
Fair and Reasonable Price Determination	X	X	X	X	X		
Method of Procurement Decision Matrix		X	X	X	X		
Independent Cost Estimate (ICE)			X	X	X		
Clear, Accurate, Complete Specifications		X	X	X	X		
Price Quotations		X					
Price/Cost Analysis			X	X	X(Cost)		
Written Selection Procedures (Included in Solicitation)			X	X			
MBE/WBE outreach	X	X	X	X	X		
Bid Opening Sheet/Record of Proposals Received			X	X			
Responsiveness Determination			X	X			
Bid/Proposal Rejection Explanation (if any)			X	X			
Responsibility Determination (Sam.gov)			X	X	X		
Bid Tabulation/Selection of Lowest Price		X	X				
Evaluation Rating Sheets and Summary				X			
Sole Source Justification					X		
Sound and Complete Agreement (Executed Contract)			X	X	X		
Clauses (In Solicitation)		X	X	X	X		
Clauses (In Contract)		X	X	X	X		
Written Record of Procurement History		X	X	X	X		
Awarded Supplier's Proposal		X	X	X	X		
Contract Mods (In Scope)		X	X	X	X		
Progress Payments		X	X	X	X		
Documentation of Board Approval			X	X	X		
Notice of Protests and Resolution		X	X	X	X		
Notice of Contract Claims and Resolutions		X	X	X	X		
Piggybacking			X	X	X		
Copies of Bonds (Construction)			X	X	X		
Lobbying Certification			X	X	X		
Immigration Law Affidavit	X	X	X	X	X		
Debarment, Suspension Certification		X	X	X	X		

## Appendix D: Fair and Reasonable Price Determination

This file is available on the website and can be used to support your project compliance.

### FAIR AND REASONABLE PRICE DETERMINATION

Contractor/Vendor Name:

Item/Service Being Procured:

The price received for the expenditure being requested has been determined to be fair and reasonable based on at least one of the following:

- ☐ Found Reasonable on Recent Purchase
- ☐ Obtained From Current Price List
- ☐ Obtained From Current Catalog
- ☐ Commercial Market Sales Price from Advertisements
- ☐ Similar in Related Industry
- ☐ Personal Knowledge of Item Procured
- ☐ Regulated Rate (Utility)
- ☐ Other

Comments:

Copy of purchase order, quotes, catalog page, price list, justification, etc. attached

Date

Project

Prepared by: